

Program 714

SPI - Compensation Adjustments**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority				
Total Maintenance Level		138,975	606	139,581
Difference		138,975	606	139,581
Percent Change from Current Biennium		100.0%	100.0%	100.0%
Performance Changes				
Health Benefit Changes		127,098	132	127,230
Pension Gain Sharing #		(2,482)	(4)	(2,486)
Projected Unit Credit - OSA #		(4,997)	(4)	(5,001)
Initiative 732 COLA				
Special Education Funding		459		459
Expand Learning Assistance Program#		728		728
Subtotal		120,806	124	120,930
Total Proposed Budget		259,781	730	260,511
Difference		259,781	730	260,511
Percent Change from Current Biennium		100.0%	100.0%	100.0%
Total Proposed Budget by Activity				
Bilingual Education		3,557		3,557
Educational Service Districts		187		187
General Apportionment		216,624		216,624
Highly Capable Student Education		309		309
Institutional Education		869		869
Learning Assistance		4,212		4,212
Special Education		24,510	730	25,240
Student Transportation		9,513		9,513
Total Proposed Budget		259,781	730	260,511

PERFORMANCE LEVEL CHANGE DESCRIPTIONS**Health Benefit Changes**

Continued increases in health care costs are expected over the 2005-07 Biennium. The monthly allocation for health benefits is increased from \$582.47 per FTE staff in the 2004-05 school year to \$633 in the 2005-06 school year and \$675 in the 2006-07 school year. These employer rates for K-12 state-funded staff are consistent with the weighted average employer rate for represented and non-represented state employees over the 2005-07 biennium. (General Fund-State, General Fund-Federal)

Pension Gain Sharing #

Prefunding for Pension Gain Sharing is removed from the budget.

Projected Unit Credit - OSA #

This item reflects moving the Public Employees' Retirement System, the Teachers' Retirement System, and the School Employees' Retirement System from the aggregate actuarial method to the projected unit credit method, using assumptions and methods provided by the Office of the State Actuary.

Initiative 732 COLA

Voter-approved Initiative 732 requires annual cost of living adjustments for teachers and K-12 staff based on the Seattle-area Consumer Price Index. This initiative was suspended during the 2003-05 Biennium. Initiative 732 is reinstated for the 2005-07 Biennium, which will provide school district employees with cost of living adjustments of 1.2 percent in the 2005-06 school year and 1.7 percent in the 2006-07 school year.

Special Education Funding

Changes in the Special Education formula result in more state-funded staff salaries allocated to districts, which increases the cost of providing compensation changes.

Expand Learning Assistance Program#

Changes in the Learning Assistance Program (LAP) formula result in more state-funded staff salaries allocated to districts through the LAP program, which increases the cost of providing compensation changes.

ACTIVITY DESCRIPTIONS

Bilingual Education

State and federal laws require public schools to provide instructional assistance to students whose first language is not English. The purpose of bilingual, or language acquisition, education is to ensure that students receive grade-level instruction while they develop the English language skills needed to study at grade level in a regular English classroom. School districts provide transitional bilingual programs for approximately 80,000 students per year. The state bilingual program is defined as a basic education program. Federal programs also provide funding to meet the special needs of migrant children, including providing those students an opportunity to meet high academic standards, coordination of intra- and interstate migrant services, and encouraging family literacy. In addition, this activity provides for statewide technical assistance for school districts receiving federal grants related to bilingual and migrant educational programs.

Educational Service Districts

Nine regional Educational Service Districts (ESDs) assist school districts in increasing student achievement, performing fiscal and data processing functions, and meeting state and federal requirements. ESDs play a key role in helping OSPI collect information that drives the apportionment of over \$5 billion per year to 296 school districts. State funding provides less than five percent of total ESD funding. The remainder of ESD funding comes from other specialized state and federal programs, and from contracts with school districts.

General Apportionment

The Washington State Constitution requires the state to define and fully fund basic public education for all school-aged children. General apportionment funding, the state's largest basic education program, is provided to the state's 296 school districts through a complex formula based on the number of enrolled students (approximately 1 million), staffing ratios, average salaries, and other factors such as adjustments for very small districts. The state funding formula provides over 67,000 staff for basic education. The funds are allocated to, and spent by, the districts and their elected school boards. Approximately 69 percent of all district expenditures are for teaching, 13 percent for administration, 9 percent for school facilities and operations, and the remainder for pupil transportation and food services.

Highly Capable Student Education

The state funds school districts' programs of enriched instruction for highly capable or "gifted" students. Districts use a variety of methods to select and serve highly capable students. The Legislature provides funding for up to 2 percent of the student population or about 19,000 students.

Institutional Education

The state provides basic education and necessary support services to school-aged children who reside in institutions such as county detention centers, group homes, institutions for neglected and delinquent children, residential rehabilitation centers, and state correctional facilities. There are a total of 38 institutions receiving these funds. Approximately 2,000 students are served annually in 220-day educational programs.

Learning Assistance

The state Learning Assistance Program and federal Title I funding provide instructional help to children whose academic performance is below average. Students receive assistance through one-on-one or small-group instruction, in addition to regular classes. State Learning Assistance funds for 2004-05 school year are allocated to districts based on a formula which includes district enrollment and factors to approximate student learning needs in the district. Federal Title I funding from the Elementary and Secondary Education Act (ESEA) is the largest federal program supporting K-12 educational services. Title I funds are provided based on a complicated funding formula, which targets funding to schools and districts with higher percentages of students in poverty. (General Fund-State, General Fund-Federal)

Special Education

State and federal law requires Washington public schools to provide appropriate educational programs to over 120,000 students with disabilities. School districts and educational service districts use state and federal funds to provide supplemental services through the special education program. Schools employ over 12,000 full-time equivalent district staff in special education statewide. This program is defined as basic education. In addition, this activity provides for statewide technical assistance for school districts receiving federal grants related to special educational programs.

Student Transportation

Each school district electing to provide student transportation to and from school is entitled to state pupil transportation funding. The calculations for a district's pupil transportation allocation include adjustments for the number of students transported and distance weighting factors. The state does not include students within one radius mile in the general pupil transportation allocation. However, students in grades K-5 living within one radius mile, whether transported or not, generate additional funding which can be used to transport these students or to create safer walking conditions. The state also pays for the replacement of district school buses through a depreciation system. Schools transport over 480,000 students 90 million miles annually.